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Discussion Paper No. 103

THE EDUCATIONAL SYSTEM OF KENYA: AN ECONOMIST'S VIEW

by

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The purpose of this paper is to set forth the basic facts of the Kenyan educational system for economists and other social scientists (particularly outsiders) who may be unfamiliar with the terminology, institutional relationships, and basic economic facts. Good recent studies exist for Nigeria and Tanzania. (UNESCO: IIEP, Educational Development in Africa: II). One such attempt for Kenya, completed in 1966, (Area Handbook for Kenya, Chapter 9) is obsolete and inadequate in many respects. The 1969 description by Thias and Carnoy contains a good deal of hard quantitative data on primary and secondary schooling but only briefly touches on post-secondary education and secondary technical and vocational education. This paper is intended to fill some of the remaining gaps.

I. Primary Education

The Republic of Kenya is divided into seven provinces plus the Nairobi extra-provincial district. The seven provinces are subdivided into a total of 38 districts. There is no provincial government as such. Rather, the provinces serve as administrative boundaries for various Central Government activities. For example, the system of primary education is overseen by the seven Provincial Education Officers, who in turn delegate responsibility to the District Education Officers. Superimposed upon the system of provinces and districts is a network of local government bodies whose jurisdictions often, but not always, coincide with district boundaries. The local government bodies in several designated urban areas are called "municipal councils;" the remainder of the country is divided into "county councils."

Kenya achieved her independence in 1963. Soon afterward, the administration and operation of primary schools became the responsibility of the municipal and county councils. The Central Government, through the Ministry of Education, was responsible for curriculum, examinations, and the setting of standards. Originally, the primary course was eight years in length, but was later shortened to seven. The primary grades are known as Standard I through VII. In general, the first few Standards are taught in the tribal vernacular, with English being taught as a foreign language;

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the upper Standards are taught in English, with Swahili being taught as a foreign language. The curriculum is traditionally academically-oriented. There is little or no practical agricultural or vocational training.

It is estimated that in 1968 over 1.2 million young people, or nearly two-thirds of the estimated African population aged 6 to 12, were enrolled in primary school. (1970 Economic Survey, p. 172). Of this number, more than 1.1 million were in rural schools and 91,000 in municipal schools. (Ministry of Education Annual Report, 1968, pp. 29-30). It is the express goal of government to achieve universal free primary education.

Rural Schools Prior to 1970

In 1969, total expenditure on primary schools in the rural areas (areas under the jurisdiction of the county councils) amounted to £9,940,000. Prior to 1970, rural primary schools were funded partly by school fees, partly by local government revenues, and partly by Central government revenues. School fees ranged from shs 30 * to shs 95 per year, depending on location. These fees met about 24% of the costs of primary education. ** The most important source of funds were grants from the Central government, which provided roughly 35%, followed by the Graduated Personal Tax, or GPT (formerly the main revenue instrument of the county councils), which accounted for some 23% of the costs of primary education. The rate structure of GPT is shown in Section VII. Other local revenue sources --- cesses (sales taxes on agricultural commodities), license fees, rates (property taxes on unimproved site values), and a few other minor sources --- comprised the remaining 18%.

* sh 1 = U.S. \$.14, shs 20 = £1, £1 = \$ 2.80 at official exchange rates.

** These percentages are calculated from revenue sources of county councils shown in Table 1. Sale of goods and services other than school fees and property income were excluded from the total, since these funds were clearly not used to finance education. After deducting school fees, this left £9,636,000 revenue and £6,463,000 expenditures. This ratio was then used to determine the percentages shown.

Table 1. Revenue Sources of County Councils, 1969 Estimates.

<u>Source</u>	<u>K £ '000</u>	<u>%</u>
GPT	3,320	23
Rates	132	1
Indirect taxes (licenses and cesses)	823	6
Income from property (rents, royalties, and premia)	367	3
Interest on investments	55	0
School fees	3,477	24
Sale of other goods and services	750	5
Grants from Central government	4,927	35
Loans raised	154	1
Misc.	224	2
Total	14,230	100%

Sources: 1970 Economic Survey, p. 166, and Ministry of Finance and Economic Planning.

Rural Schools After 1970

Due to financial difficulties of the county councils and uneven geographical distribution of social services, on January 1, 1970, the Central Government took over from the county councils the responsibility for financing education, health services, and roads. The Central Government takeover of financial responsibility was accompanied by a takeover of the county councils' three most important revenue instruments. The Central Government now collects school fees, collects GPT, and no longer makes grants to the county councils for schools. It is estimated that this takeover will leave the county councils with only about one-fifth of their former expenditures and one-sixth of their former revenues. (1970 Economic Survey, p. 166). Thus, the county councils' economic importance has been sharply curtailed.

Primary schools in the rural areas are run by District Education Boards, which are composed of government officials, educators, and private citizens. The DEB's employ teachers (through the Teachers' Service Commission) and collect school fees in addition to the curricular and administrative functions. Primary school teachers are employed directly by the Teachers' Service Commission, an ad hoc subsidiary of the Ministry of Education. For budgetary purposes, the Ministry of Education grants funds to the DEB's, which pay the salaries of teachers employed by the TSC.

Current estimated expenditures and revenues of the Central Government on primary schools are shown in Table 2. It can be seen that of the gross cost of primary education of over £14 million (£13 per pupil), only about 30% is met by school fees. The remaining 70% must come from general government revenues. The financing of the Central Government is the subject of Section VII.

Table 2. Estimated Expenditures and Revenues, Government-Financed
Primary Schools, 1970/71

(1) Gross cost of government-financed primary schools under jurisdiction of District Education Boards (DEB's)	Kf. 13,222,976
(2) Less: Primary school fees (tuition, equipment, boarding, and other), DEB's	4,326,760
(3) Net cost of government-financed primary schools under jurisdiction of DEB's	8,896,216
(4) Gross cost of three government-operated primary schools	341,000
(5) Less: Fee revenues, government-operated primary schools	53,000
(6) Net cost of government-operated primary schools	288,000
(7) Reimbursement in respect of staff seconded to primary schools	220,000
(8) Examination fees *	245,000
Gross cost of primary education, government-financed and -operated schools, (1) + (4) + (7) + (8)	14,028,976
Less: Fee revenues, (2) + (5)	4,379,760
Net cost of primary education, government-financed and -operated schools, which must be met from Central Government revenues, (3) + (6) + (7) + (8)	9,649,216

* Estimated share of total examination fees, based on ratio of primary school enrollment to secondary school enrollment.

Source: Calculated from data in Republic of Kenya, "1970/71 Estimates of Recurrent Expenditure of the Government of Kenya for the Year Ending 30th June 1971"

Fees

On January 1, 1971, the Central government equalized school fees at Government-maintained rural primary schools at shs 72 per year. These fees are beyond the means of many families. The per capita income in Kenya is about £30 (shs 600) per annum, so that the school fees for one child are 12% of the per capita income. There is an extensive informal system of extended families sharing the cost of school fees. In addition, about 10% of primary school children have their school fees remitted by the Central government. Remissions are a system whereby a pupil receives a waiver of all fees, and his costs are paid out of central funds. A pupil desirous of remission applies to his school committee. The school committee then applies on his behalf to the District Education Officer of the Ministry of Education, who allocates his district's quota to the most deserving children.

Municipal Primary Schools

The takeover of financing of primary schools by the Central government from the county councils did not affect primary schools within the jurisdictions of the municipal councils. The municipal councils retain responsibility for the operation and funding of primary schools in their areas.

In 1969 the seven municipalities* in Kenya spent an estimated £2.2 million on education (gross). This was about 15% of their total expenditures. (See Table 3). School fees accounted for £605,000 which is 27% of the total educational cost. The remaining funds are drawn from the other revenue sources shown in Table 4. Very little is known about the incidence of these other sources.

* The total number of municipalities has since been increased to eleven with the upgrading of four urban councils to municipal council status late in 1970.

Table 3. Municipal Councils - Recurrent & Capital Expenditure
on main services, 1969 Estimates

<u>Service</u>	<u>K £ '000</u>	<u>%</u>
Education (gross)	2,213	15
Other social services	2,269	15
Community services (Roads, Sanitation, other)	2,875	19
Trading Services	6,613	44
Administration	975	7
Unallocable expenditure	27	0
	<u>14,972</u>	<u>100%</u>

Source: 1970 Economic Survey, p. 161.

Table 4. Municipal Councils - Revenue Sources, 1969 Estimates

<u>Source</u>	<u>K £ '000</u>	<u>%</u>
GPT	2,323*	17
Rates	2,985	22
Indirect taxes (licenses & cesses)	95	1
Income from property	1,454	11
Interest on investments	138	1
Sale of goods & services including school fees	3,905	29
of 605 Government grants	215	2
Loans raised	2,185	16
Misc.	103	1
Total	13,403	100%

* This figure understates the current importance of GPT, since the roughly £ 1.5 million contributed by Nairobi & Mombasa to the Central government will now be retained by them. Later figures were not available at the time of writing.

Source: 1970 Economic Survey, p. 163, and Ministry of Finance & Economic Planning.

The Case of Nairobi

The specific financial relationships of the municipal councils can be illustrated more clearly with reference to Nairobi. In 1969, the Nairobi City Council spent £1,737,470 on primary education for 57,815 pupils, or £ 30 per pupil.*

At independence, Nairobi inherited a legacy of separate school systems, divided racially into African, Asian, and European schools.** The schools were immediately integrated, but it was decided to maintain differential fees in order to preserve the high quality of the better schools (although this policy is at present under review). These schools now charge the following fees:

Table 5. <u>Fee Schedule of Nairobi Primary Schools</u>		
<u>Category</u>	<u>Annual Fee</u>	<u>Number of Schools</u>
A --- Former African schools	shs 60/year	61
B --- Former Asian schools	shs 182/year	12
C --- Former European schools	shs 579/year	7
Assisted schools	vary	15
		<hr/> 95

Source: City Council of Nairobi, Annual Report of the City Education Department for the Year 1969, pp. 27-9,40.

This fee structure is subject to approval by the Ministry of Education. Financial aid is available for low income pupils in the "C" schools. The school committee (which operates the school) obtains remissions from the city council on behalf of its students. 12% of the children in fully-maintained schools received school fees remissions, some for one or two terms, most for all three. In all, £426,990 were raised by school fees.

The remaining £1,310,480 for education had to be found from other revenue sources. The major revenue instruments of the Nairobi City Council are rates (on unimproved property valuation) and GPT, which respectively accounted for 36% and 22% of the City Council's income. The other income sources --- housing, sewerage, etc. --- are mainly user charges for City

* City Council of Nairobi, "Annual Report of the City Education Department for the Year 1969."

** "African" and "European" are the everyday expressions for persons of the Negroid and Caucasian races respectively.

Council-provided goods and services. Thus, rates and GPT must be relied on to make up the deficit on the educational account.

In 1968, the Central government decided to appropriate 50% of the GPT collections of Nairobi and Mombasa for distribution to the county councils for purposes of providing additional social services in rural areas. Since these two cities had higher income populations than other parts of Kenya, and since they were increasingly being populated by wage-earners whose families were in the rural areas and required social services there, it was felt that this transfer was desirable on equity grounds. However, the 50% remissions were abolished in December, 1970, because (1) the municipal councils found themselves under serious pressure to provide social services, particularly for new migrants from the rural areas, and urgently needed the revenue, and (2) the Central government was spending the money on general development rather than specifically on rural social services. This will provide Nairobi and Mombasa with an extra £1.5-2 million per year. Rates were also increased in 1970 to raise additional revenues.

Teacher Qualifications

Almost all of Kenya's primary school teachers are citizens, but only 73% are trained. The qualifications of primary school teachers and minimum educational requirements are shown in Table 6. The certificates and examinations are described in the text below, but briefly, Cambridge School Certificate (CSC) is the equivalent of a high school diploma; Higher School Certificate (HSC) requires an additional two years beyond CSC; the Kenya Junior Secondary Examination Certificate (KJSE) signifies successful completion of two years of secondary schooling; and Kenya Preliminary Examination certificate (KPE) signifies completion of primary education.

Examinations and Further Opportunities

Nearly all children who complete Standard VII sit the KPE. All who sit the KPE receive a Certificate of Primary Education (CPE) which is graded from A+ to E. Those who do not sit KPE after Standard VII and those who do very poorly frequently repeat Standard VII over again. Fordham and Sheffield found that fully 30,000 out of the 1965 Standard VII class of 148,000 were repeating in the primary schools. (See Table 7). This high figure is not surprising, given that CPE score is the primary and often sole criterion for admission to further schooling and that there is little else for a thirteen year old to do. What is surprising is that pupils are allowed to repeat in a country where many young people do not have a first chance to make it as far.

Table 6. <u>Primary School Teachers by Qualification</u>		1968
Professionally Qualified		
University graduate		80
U.K. Ministry of Education Certificate		162
S1 (School certificate + 3 years training or HSC + 1 year)		147
P1 (School certificate + 2 years training)		1,798
P2 (Two years secondary education + 2 years training)		5,315
P3 (KPE + 2 years training)		16,992
P4 (Completed primary course but no KPE + 2 years training)		2,702
Other		289
Total Qualified		27,485
Not Professionally Qualified		
University graduate		35
HSC		75
CSC		759
KJSE		878
KPE		8,058
Other		633
Total unqualified		10,438
Total		37,923

Source: Ministry of Education, Annual Report 1968, p. 33.

Table 7. Distribution of 1965 Primary School Leavers

Repeating in primary schools	30,000
In secondary schools or other training	26,000
In wage employment	7,500
Self-employed	850
Active or family farms	22,500
Unemployed in rural areas	49,750
Unemployed in urban areas	11,400
<hr/> Total	<hr/> 148,000
Urban primary school leavers	13,000
Rural primary school leavers	<hr/> 135,000
	148,000

Source: Paul Fordham & James R. Sheffield, "Continuing Education for Youth & Adults," in James R. Sheffield, ed., Education, Employment, and Rural Development; Nairobi, EAPH, 1966.

Pupils who complete an educational course are known in Africa as "school leavers." The labour market status of 1965 primary school leavers one year later is shown in Table 7. The 40% unemployment rate understates the true number who experience long-lasting unemployment, since many of the repeaters will undoubtedly experience considerable unemployment as well, and since many of the employed undoubtedly experienced substantial unemployment before finding their present posts. While no hard data are available, the labour market situation has clearly worsened since 1965, since secondary school leavers who have trouble finding jobs are hired for posts which formerly were available to primary school leavers. However, the Index of Opportunity (ratio of first-year secondary spaces to previous year's primary school leavers) has increased from 16 in 1965 to somewhere between 25 and 37 today.*

II. Secondary Education

There has been a dramatic growth of secondary education in Kenya. Beginning with 244 schools with 36,000 pupils immediately after independence (1963), there were 783 secondary schools and 127,000 students by 1970. (1970 Economic Survey, p. 173, and Ministry of Education). Of the 783 secondary schools, 300 schools with 74,561 pupils were aided and the remaining 483 schools and 52,994 pupils were unaided. (Ministry of Education).

Aided Schools

The aided schools fall into two categories. 281 of the aided schools are maintained fully by the Central Government. The total expenditures, offset by school fees, are paid by the Government. In 1970 the gross cost of secondary education amounted approximately to £60 per pupil, of which 23% was met by school fees. (See Table 9). Except for a few former all-Asian schools, uniform fees are charged according to the following schedule:

Table 8. Secondary School Fees, Government-Maintained Schools, 1971

<u>Category</u>	<u>Annual Fee</u>
Day Schools, boys and girls, municipal areas	shs. 138
Day Schools, boys and girls, rural areas	shs. 200
Boarding school, girl	shs. 300
Boarding school, boy	shs. 450

* There were 158,000 primary students leaving school in December, 1970. Mr. A.A. Adongo, the Secretary-General of the Kenya National Union of Teachers, stated that only about 40,000 of these would be placed in secondary schools. This statement was subsequently challenged by Mr. Taita Towett, the Minister for Education, who anticipated secondary openings for 60,000 pupils. Time will tell whose estimate was correct.

Financial aid in the form of bursaries is provided by both county councils and the Ministry of Education. In contrast to remissions, which are paid to the school, bursaries are paid directly to the student, who then pays the full fee to the school. Most bursaries are paid by the county councils and may be either partial or full. The budgets of the county councils for this purpose (and all others) are approved by the Ministry of Local Government. Although specific figures are unavailable, the amounts are known to be quite small. Bursaries from the Ministry of Education to maintained secondary pupils amounted to some £17,000 in 1970.

The remaining 19 aided secondary schools are termed "assisted", since the Central Government pays 80% of salaries of both teaching and non-teaching staff, plus maintenance costs. These schools are all former exclusive high-quality high-cost schools which attract students from throughout the country. The fees are extremely high: £162 per year standard fee, £384 for service personnel, such as children of foreign diplomats. In 1970 the Ministry of Education spent some £195,000 on bursaries in assisted schools. Additional bursaries are provided by private organisations. The system of financial aid is so extensive that, to quote Mr. Wairagu, Principal Finance Officer, Ministry of Education:

"There is no child admitted at a government-aided secondary school, either maintained or assisted, who is unable to attend on account of inability to meet the fees." (Private conversation, January 18, 1971.)

Unaided Schools.

The 483 unaided schools also fall into two distinct categories. 173 are private schools. The other 310 are community self-help (Harambee) schools, which are constructed, financed and operated out of local efforts and resources. Since the Ministry of Education has little to do with Harambee schools other than to certify their existence and control the number of streams (one stream = one class in each secondary year), little besides enrollments is known about them. In 1969 the Central government initiated a small-scale program to assist selected Harambee schools with teachers, and the government takes over a number of Harambee schools each year. However, since there is not other financial aid from the Central Government to Harambee schools, the fees charged are higher than at the government-maintained schools --- shs 500 to shs 1,200 per year --- and there is little community financial assistance. Ability and willingness to pay are the main factors

* This excludes bursaries to Form 5 and 6 students, which are paid out of a separate fund.

Table 9 Estimated Secondary School Finances, 1970-71

Gross recurrent expenditure	£ 4,545,200
+ Development expenditure	700,000
Gross total secondary expenditure	£ 5,245,200
Less: Fee revenues	964,195
Net secondary expenditure	£ 4,281,005

Sources: Republic of Kenya, 1970/71 Estimates of Recurrent Expenditure of the Government of Kenya for the Year Ending 30th June, 1971, pp. 88a - 92.
 Republic of Kenya, Development Estimates for the Year 1970/71, pp. 47-49; Ministry of Education.

governing the growth of Harambee schools. The problems of the Harambee secondary school movement are well-summarized by Thias and Carnoy (p.39).

Teacher Qualifications

The qualifications of secondary school teachers in 1968 are shown in Table 10. Teachers in government schools were much better qualified than their counterparts in unaided schools. 76% of the teachers in government secondary schools were professionally qualified and another 18% were university graduates without teacher training. In contrast, only 35% of the teachers in unaided schools were professionally qualified.

Educational Opportunities, Examinations, and the Labour Market

Secondary education is divided into six years, which are called Forms. At the end of Form 2, students may elect to write the KJSE (Kenya Junior Secondary Examination). Most Harambee schools only go through Form 2; the communities hope their children will do sufficiently well on KJSE to gain admission to Government-maintained Form 3 spaces, * but there are very few such opportunities. For those who are unable to continue, a KJSE pass is of value in the job search.

At the end of Form 4, all secondary students sit the joint exam for the Cambridge School Certificate and the East African Certificate of Education. Those who do best receive both the EACE and the CSC, which is graded Division I, II, or III in order of distinction. Others who do less well receive only the EACE, and the remainder fail. The results of the 1970 examination are shown in Table 11.

* This point is made by Anderson op. cit.

Table 10 Qualifications of Secondary School Teachers, Government and
Unaided Schools, 1968

Category	Government Schools		Unaided Schools **	
	Number	%	Number	%
Professionally qualified				
University Graduate	1,299	48		
Sl *	538	20		
Other	232	9		
Total professionally qualified	2,069	76%	673	35%
Not professionally qualified				
University graduate	478	18%		
HSC	127	5		
CSC	20	1		
Other	21	1		
Total unqualified	646	24%	1,256	65%
Total qualified and unqualified	2,715	100%	1,929	100%

* Sl teachers have either School Certificate plus three years of teacher training, or Higher School Certificate plus one year teacher training.

** More detailed breakdowns for unaided schools are unavailable.

Sources: Ministry of Education Annual Report, 1968, p. 51 and 1970
Economic Survey, p. 177.

The procedure for selection of Form 4 leavers for further education training, and employment has been described in detail by Rado, Morgan, and Shepard. Briefly, the way the process works is that in the final term of Form 4, students complete a standard form, administered by the Kenyanisation of Personnel Bureau, on which they are asked to list their preferences. They do this before their performances on the School Certificate examination are known to them. All first choice forms are sent to the first choice institution, which then selects from among these candidates (often after an interview), and then forwards the remaining forms to the second choice institution, which may already be full. There is thus imperfect information and considerable guessing and game-playing strategy on the part of Form 4 leavers on how to best list their preferences in trying to be assured of some further opportunity. The above-mentioned authors note their objections to the present procedure in detail and then propose a new standard selection form.

Table 12 presents Rado, Morgan and Shepard's estimates of Form 4 placement for the class of 1969. A little more than one third have opportunities for further education or training. About another third find wage employment in the non-agricultural sector. The remaining third must either be self-employed, work on the family farm or in the agricultural sector, work in the so-called "murky" sector, attend a private training course, or be unemployed. This lack of opportunity for Form 4 leavers has escalated into a noteworthy political problem which is discussed extensively in government and the local press.

In 1970 there were 2,606 Form 5 students and 2,010 in Form 6. Those students who are fortunate enough to find Form 5 places encounter few financial obstacles. No fees are charged in Form 5 and 6 in the "maintained" schools. This is justified on the basis of selectivity --- that those who qualify for Form 5 places should not be discouraged by high fees. In the "assisted" schools, the high fees previously noted are charged. Each student receives a standard bursary of shs. 450 per year, but may get more according to parents' financial status. At this level as well, financial problems are few.

Table 11. Results of the 1969 Joint Examination for the Cambridge
School Certificate and the East Africa Certificate of Education.

	<u>Number</u>	<u>%</u>
EACE + CSC Division I	1,796	9
EACE + CSC Division II	3,457	17
EACE + CSC Division III	4,632	23
EACE only	6,852	34
Fail	3,701	18
Total	<u>20,438</u>	<u>100%</u>

Source: Ministry of Education

At the end of Form 6, pupils sit the exam for the Cambridge Higher School Certificate. Of the 1,987 candidates in 1969, 470 passed (3 or 4 principal subjects) and received the Higher School Certificate and an additional 858 passed (1 or 2 principal subjects) but did not receive the HSC. The students who pass with two or more principal subjects are able to continue for university education, either at the University of Nairobi or foreign universities. Those who do not go on have had little difficulty obtaining good permanent employment, especially in the private sector.

III. Technical and Vocational Education

Secondary Technical Schools

In 1970 there were four secondary technical schools in Kenya, all government-operated, with a total enrollment of 1,908. The technical schools offer a four year academic course with a technical bias leading to the School Certificate examination. History and geography are replaced in the curriculum by ten to twelve hours a week of engineering metalwork, building construction and mechanical drawing. Successful School Certificate candidates may seek admission to a Higher School Certificate course but are not assured of a Form 5 place. Secondary technical school leavers are not qualified to enter university directly. In contrast to general secondary school leavers, technical school leavers who are unable to continue their education are finding job opportunities plentiful at present.

The fees charged at the secondary technical schools are the same as other secondary schools --- shs. 138 for day schools (Nairobi and Mombasa), shs. 450 for boarding schools (Nakuru and Sigalagala). Fee revenues meet less than one fifth of the gross cost. The remaining funds must come from general government revenues. The gross recurrent cost of secondary technical schools was over £100 per pupil, which is more costly than general government secondary schools (£60 per pupil). Little financial assistance is available; total bursaries paid to students in technical and vocational schools amounted to £1,197 in 1970.

Table 12. Estimates of Form 4 Placement, 1969. (Rado, Morgan, and Shepard).

<u>Category</u>		<u>Number of Vacancies</u>
Form 5		2,300
Three-year courses		
Secondary teaching	510	
Technical training	450	
Agricultural	230	
Medical	<u>560</u>	
		1,750
Two-year courses		
Pl teacher	830	
Agricultural	410	
Technical	390	
Social	<u>20</u>	
		1,650
One-year courses		
Fishing	20	
Secretarial	100	
Agricultural	<u>50</u>	
		170
(1)	Total educational opportunities	<u>5,870</u>
(2)	Direct employment (modern non-agricultural)	4,450
(3)	Remainder (Unemployed, self-employed, working on family enterprise, agriculture, or semi-skilled wage employment, or take training in privately-operated courses)	6,230
	Total (1)+(2)+(3) = 1969 Form 4 enrollment, citizens only	<u>16,550</u>

Source: E.R. Rado, James Morgan, and Don Shepard, "The Selection of Form Four Leavers for Further Education, Training and Employment," Institute for Development Studies Discussion Paper No. 94, June, 1970.

Table 13. Recurrent Expenditures, Secondary Technical Schools, 1970

<u>School</u>	<u>No. of students</u>	<u>Gross expendi- tures £</u>	<u>Fee revenues £</u>	<u>Fees as % of Gross Exp.</u>
Nakuru	661	81,072	10,335	13%
Sigalagala	378	40,385	8,505	21%
Technical High School, Nairobi	474	45,997	9,225	20%
Technical High School, Mombasa	395	33,880	8,176	24%
Total	1,908	£ 201,334	£ 36,241	18%

Source: Ministry of Education.

Secondary Vocational Schools

There were eight government secondary vocational schools operating in 1970, with total enrollment of 2,424 pupils. In addition, some 200 students were enrolled in secondary vocational courses at the Mombasa Technical Institute and 200 more were enrolled at the Christian Industrial Training Centres at Nairobi and Mombasa, institutions operated privately by the Christian Council of Kenya.

The government secondary vocational schools at present offer a three year course, but this is being changed to four. The first two years are mainly academic with some craft training. At the end of the second year, students take the KJSE Technical Examination. The top 200 go on for a two-year pre-technician course at the Mombasa Technical Institute. The remaining students do a one year pre-craft course in either mechanical engineering, electrical engineering, motor vehicle engineering, or agricultural mechanics in one of the other vocational schools.

Graduates of the four year course have done very well in the labour market. However, graduates of the three year course have had some trouble finding employment, since some employers are unwilling to recognize them as secondary school leavers since they have only done a three year course.

The fees charged at secondary vocational schools are shs. 450 per year. They are all boarding schools. As in the case of secondary vocational schools, fee revenues meet less than one fifth of the gross cost, which is over £100 per pupil.

Technical and Vocational Courses in General Secondary Schools

It is Ministry of Education policy to introduce instruction in practical subjects --- industrial arts, agriculture, business studies, and home sciences --- in the general secondary schools. There are conflicting reasons for this policy. Some officials within the Ministry of Education and other branches of Government felt that some positive measure was needed to respond to the problem of growing unemployment of generally-educated secondary school leavers. Others felt that technical courses ought to be a part of a general secondary student's knowledge. In any event, at the most six periods (one period = 40 minutes) per week are to be devoted to technical courses in the general secondary schools. This compares to 10 to 12 periods in the technical schools and 25 to 30 periods in the vocational schools. Whether these six periods will produce better secondary school leavers is as yet unsettled. The first practical subjects were introduced in 1969. Therefore, the first secondary classes with instruction in practical subjects will not enter the labour market until the end of 1972. It will be interesting to see whether those students fare better than others who have not had practical subjects.

In 1970 secondary schools offered industrial arts courses to over

Table 14 Recurrent Expenditures, Secondary Vocational Schools, 1970

<u>School</u>	<u>No. of Students</u>	<u>Gross Expenditures</u>	<u>Fee Revenues</u>	<u>Fees as % of Gross Exp.</u>
		£	£	
Kabete	504	72,043	11,340	16%
Machakos	305	33,445	6,862	21%
Thika	376	42,594	8,325	20%
Meru	258	27,278	5,828	21%
Kisumu	281	29,304	6,322	22%
Mawego	234	25,000	5,265	21%
Rift Valley	332	37,309	7,470	20%
Kaiboi	140	13,030	3,150	24%
Total	2,424	£280,003	£54,562	19%

Source: Ministry of Education

2,500 students. Thirty-five secondary schools offered agricultural courses. It is hoped to introduce courses in commerce and home economics in 1971. However, financial difficulties and lack of qualified teachers have created a serious bottleneck to the implementation of the goal of widespread technical courses throughout the secondary school system.

The annual output of teachers is shown in Table 15. Considering that there were 300 Government secondary schools in 1970, it will be quite some time before the goal is achieved, even allowing for staffing by expatriates.

The financial barriers are also serious. Estimated development costs of technical courses are shown in Table 16. In addition, special teachers must be hired. Since industrial arts and home economics require close supervision, two teachers per class (average class size = 38) will be required for those subjects. Qualified teachers (at the S1 level) start at £684 per year and earn up to £1,190. About £55,000 would be required to construct complete facilities and employ teachers for a year.

Kenya Polytechnic

The Kenya Polytechnic, located in Nairobi, offered technical courses to 2,200 persons in 1970. Students enrolled in Polytechnic courses must be employed full-time in employment which offers on-the-job opportunities for applying their knowledge. Students at the Polytechnic are enrolled on either a day release, evening, or "sandwich"* basis. The courses are taught at a high post-secondary level. Post-secondary diplomas and certificates are available in mechanical engineering, electrical engineering, building and civil engineering, science laboratory technology, and commerce and accountancy.

Fees at the Polytechnic range from shs 50 to shs 200 per term depending on the course. In 1970, fees yielded £46,500 out of total gross expenditures of £ 249,600, which includes £62,000 paid in bursaries. The cost is over £100 per person, but since most Polytechnic students attend only part-time, the per course cost is much higher than secondary technical and vocational education.

Mombasa Technical Institute

The Mombasa Technical Institute offered courses to some 800 students in 1970. Two hundred of these students were in the third and fourth year pre-technician course available to the top secondary vocational students. The others, mostly part-time, were students in commercial, mechanical engineering, and East Africa Certificate of Education courses.

* "Sandwich" students intermingle full-time terms of study with periods of full-time employment.

Table 15. 1971 Output of Technical Teachers

<u>Subject</u>	<u>Institution</u>	<u>Number</u>
Industrial arts	Kenya Science Teachers' College	12
Agriculture	Egerton College	40
Home economics	Kenyatta College	25
Commerce	Kenyatta College	16

Source: Ministry of Education, Ministry of Agriculture.

Table 16. Estimated Development Costs for Technical Course Facilities.

<u>Type of Facility</u>	<u>Building</u> £	<u>Equipment</u> £	<u>Furniture</u> £	<u>Total</u> £
Woodworking shop	4,000	1,250	200	5,450
Metalworking shop	4,000	2,250	200	6,450
Agriculture	4,000	3,000	-	7,000
Home Economics	4,500	1,250	200	5,950
Commercial	2,500	1,750	300	4,550

Source: Ministry of Education.

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IV. Teacher Education

Primary Teachers' Colleges

In 1968 there were 26 primary teachers' colleges operated by the Kenya government. These colleges enrolled 5,740 students and supplied 2,466 qualified teachers. (Ministry of Education Annual Report, 1968). The number of colleges is to be reduced from 26 to 17, with each of the remaining institutions enrolling from 480 to 500 students.

Candidates for primary teaching certificates enter specified courses depending on their educational backgrounds. Teachers in the highest category, P1, have a School Certificate plus two years teacher training. The next category, P2 teachers, have at least two years secondary education, but no School Certificate, plus two years teacher training. P3 teachers have CPE (Certificate of Primary Education) plus two years teacher training. P4 teachers have less than a CPE education, plus two years teacher training.

The number of students in each category of teacher training is shown in Table 17. It is seen that P3/4 courses enroll the most students, followed in turn by P2 and P1.

All the teacher training colleges are boarding schools. Students are charged no fees, and in addition receive cash maintenance allowances and allowances for clothing and books. In exchange for this free schooling, students in teachers' training colleges are bonded, which means that they are obligated to teach in government schools for three years unless specifically released. The Development Plan estimates total recurrent cost of primary teacher training colleges at £589,000. However, it is likely that this figure is too low. The 1968 enrollment was 5,740 students. At the Plan's estimated recurrent cost of £165 per pupil, the total recurrent costs is found to be £947,000. Development expenditures over the Plan period are estimated at £2.6 million.

Primary teaching is now and is expected to continue to be an excess demand occupation. Table 6 showed that 27,485 out of 37,923 primary school teachers in 1968, or 73%, were professionally qualified. The planned figures for 1969-1974 are shown in Table 18. Thus, full employment of qualified teachers is virtually assured.

Table 17. Enrollment in Primary Teachers' Colleges, 1968

P1		
First year	550	
Second year	346	
P2		
First year	1,003	
Second year	1,000	
P3/4		
First year	1,463	
Second year	1,298	
Total primary teachers	5,740	

Source: Ministry of Education Annual Report 1968, p. 73.

Table 18. Planned Supply and Demand for Qualified Primary School Teachers, 1969-1974

Year	Supply of Qualified Teachers (000's)	Demand for Qualified Teachers (000's)	Supply as % of Demand
1969	29.9	37.7	79%
1970	32.4	39.6	82%
1971	35.2	41.3	85%
1972	38.1	43.1	88%
1973	41.4	45.3	91%
1974	44.5	45.8	97%

Source: Development Plan, 1970-4, p. 467.

Secondary Teacher Training

The institutions producing secondary school teachers are the University of Nairobi, Kenyatta College, and Kenya Science Teachers' College. Teachers for secondary agricultural courses are produced at Egerton College, which will be discussed in Section V. Teachers for secondary commercial studies courses are trained at the Kenya Polytechnic, previously discussed in Section III.

Teachers who graduate from the University of Nairobi are called "graduate teachers." SI teachers produced at Kenyatta College and SI teachers of science from Kenya Science Teachers' College either have School Certificate plus three years of teacher training or Higher School Certificate plus one year of teacher training.

Table 10 showed the number of qualified teachers in relation to total supply in 1968. The Development Plan projects a small surplus of trained teachers for government schools by 1974. However, there will still be many opportunities for trained teachers in the Harambee schools. Thus, secondary teaching is now and is expected to remain an excess demand occupation.

University of Nairobi

The University of Nairobi Faculty of Education was expected to produce 110 secondary school teachers in 1970. This number is expected to increase to 160 by 1974.

Education students are admitted to university the same as other students and receive the same financial benefits. The Faculty of Education is, however, supported in large part by UNESCO, which supplies faculty, books, and funds for other purposes. Out of the total Faculty of Education cost, 85% is paid by UNESCO. Thus, the burden on taxpayers for teacher education at the university level is £132 per student, which is smaller than the £882 which is required for other university education. (See Section VI).

Kenya Science Teachers' College

The Kenya Science Teachers' College, located in Nairobi, was constructed as a joint undertaking of the governments of Sweden and Kenya, and opened in 1968. 1970 enrollment was 357 students. Intake is now 144 students per year for a three year post-secondary course leading to the SI teacher's certificate in science. The curriculum includes the equivalent of two years of academic coursework and one year of professional training.

Students apply to KSTC by completing the government's Form A. (See Section II.) A Division II CSC pass with high marks in sciences and mathematics is required for admission. No fees are charged, boarding is provided, and students are granted cash allowances of shs. 15 per month and clothing allowances of shs. 10 per month. All students attending KSTC are bonded and required to teach in Government schools for three years after completing their certificates. S1 teachersearm from £684 to £1,119 per annum. However, the top 20% are accepted to the Faculty of Sciences of the University of Nairobi for degree study. Their bonds remain in force after graduation.

Total cost in 1969-70 was £455,000, of which £167,000 was recurrent expenditure and £288,000 development. Kenya's share of the recurrent costs (30%) amounted to £50,000. The average recurrent cost was approximately £400 per pupil, but this is expected to fall over time as Kenyan teachers are substituted for Swedish.

Kenyatta College

Kenyatta College, located just outside Nairobi, is the main institution for the training of non-science teachers. 1970/71 enrollment in the Teacher Education Department was 200 first year students, 311 second year, and 262 third year in the three-year S1 course; 83 students in the one-year P1/S1 upgrading course; and 42 students in the one-year SA course (for students with a pass in one HSC subject). Students are charged no fees and receive small allowances. In 1970/71, the total recurrent costs of Kenyatta College were about £250,000 (£275/student), and development costs were approximately £170,000. These costs are met entirely out of Ministry of Education funds.

V. Agricultural Education

The institutions for agricultural education in Kenya are Egerton College, Embu Institute of Agriculture, AHITI (Animal Health and Industry Training Institute), and the University of Nairobi Faculties of Agriculture and Veterinary Science. In addition, a number of Kenya citizens are trained at Makerere University in Uganda.

Egerton College

Egerton College offers a three year post-secondary course leading to a diploma in agriculture. A Division I CSC pass with a strong bias in science is required for admission. Enrollment in 1971 is 650 students, two-thirds of whom are Kenyans.

Although a private institution, Egerton College receives much financial assistance from the Kenya government. All students attending Egerton are fully-sponsored and bonded for three years. They receive allowances of shs. 80 per month, half of which is paid as pocket money, while the other half is retained by the college to pay for clothing. (This is true of Embu and AHITI as well). 120 members of the 1970 class were sponsored by the Kenya Ministry of Agriculture, 30 others by the Kenya Ministry of Education, 54 by the governments of other countries, and 17 sponsored privately or by statutory boards.

Total recurrent expenditures budgeted for 1971 are £371,810, which amounts to £572 per student. This will be financed in one of two ways:

(1) Egerton College has proposed to the Kenya government the establishment of "economic fees" of £550 to £650, depending on the course. It is unclear whether the government will approve this schedule. If they do, fee revenues will amount to £352,400, general income will be £19,745, and the total costs will be met. It should be noted that these fees are paid by the sponsors, not the students. About £220,000 of the cost of Egerton College would fall on the taxpayers of Kenya. If the government does not approve the proposal, then (2) the present fees (£331 per student for those sponsored by the Kenya government) and the "economic fees" charged to non-Kenya-government sponsors would raise £268,000, general income would remain at £19,745, and a "subvention" of £77,000 from the treasury would be required to balance the budget. In this case, taxpayers would also pay about £220,000. From an economic point of view then, it is immaterial which financial arrangement is adopted.

Egerton College has received development funds from a variety of sources. 1968-9 capital projects were built with funds from foreign donors (33%); Ministry of Agriculture funds (26%) and Egerton College funds (41%).

Most Kenyan Egerton diploma holders are employed by the Ministry of Agriculture. They begin at the rank of Assistant Agricultural Officer, Livestock Officer, or Animal Health Officer at a salary of £708 per year, which increases with service up to £1,068. Those employed as agriculture teachers by the Ministry of Education begin at £684 and earn up to £1,190. The salaries paid by private companies are not specifically known, but they are known to be relatively high.

Although salaries for Egerton diploma holders are high, there is a problem of absorbing them all into employment. In 1970, 25 diploma holders bonded to the government could not be placed in existing posts and supernumerary posts had to be created for them in advance of the time when those posts would otherwise have existed. They may not be readily absorbed in the future either.

Promotion possibilities for Egerton diploma holders within the Ministry of Agriculture are few. There is but little chance of attaining the next rank (Senior Assistant Officer, Senior Livestock Officer, or Senior Veterinary Officer) which pays from £1,356 per year.

Embu Institute of Agriculture

The Embu Institute of Agriculture is operated and financed by the Ministry of Agriculture. Current capacity is 150, but this will be increased to 250 by 1974. A comparable institute is to be constructed in Western Province and is expected to offer 250 more spaces by 1976.

Embu offers a two year post-secondary course leading to an agricultural certificate. Although Embu certificate holders are not bonded, almost all are employed by the Ministry of Agriculture as Agricultural Assistants, Grade 2, and earn from £342 to £450 per year. There is a small chance of promotion to Agricultural Assistant, Grade 1, which pays up to £582 per year. New AA posts will be created to absorb the planned output of Embu and the Western institute of 250 per year. Opportunities for Embu graduates outside the Ministry of Agriculture are limited, both because they do not have qualifications to be farm managers and because the wages offered to them in the private sector are very low.

All recurrent costs of Embu are paid by the Ministry of Agriculture. These amount to £250 per student. No fees are charged and students receive a small cash allowance and clothing allowance. Development costs of

£161,600 for a complete facelift and new facilities at Embu will be financed out of an IDA loan, with no contribution from the Kenya government. The Western institute will also be developed from IDA funds (£204,450).

AHITI

AHITI is also operated and financed by the Ministry of Agriculture. Current enrollment is 250, of whom 180 are in a two year post-secondary course leading to a certificate in animal health or range management and the remaining 70 are in such miscellaneous courses as tannery and in-service upgrading.

Most AHITI certificate holders are employed by the Ministry of Agriculture as Animal Health Assistants or Range Assistants. They are comparable in status and salary to Agricultural Assistants, Grade 2. Promotion prospects are few.

Only a small part of the costs of AHITI are paid by the Ministry of Agriculture. Funds for the salaries of expatriate staff who are training counterpart personnel, much of the development cost, and many miscellaneous costs are paid by the United Nations. Total Kenya government cash contribution in 1970 was about £30,000. Per student recurrent cost is about £250. There are no fees and students receive a small cash and clothing allowance.

Development costs for AHITI have been paid by the governments of the U.S., U.K., Sweden, Denmark, and New Zealand and by the United Nations as well as the Kenya government.

University of Nairobi

The University of Nairobi Faculty of Agriculture graduates 40 students per year. Most graduates are employed by the Ministry of Agriculture as Agricultural Officers, a post which pays from £810 to £1,710 per year. Another 25 students per year graduate from the Faculty of Veterinary Science. These graduates are employed by the Ministry of Agriculture as Veterinary Officers and earn on the same scale as Agricultural Officers.

Details of the financial arrangements of the University of Nairobi are discussed in Section VI.

VI. University Education

University Education in East Africa

Prior to 30 June 1970, the University of Nairobi (then known as University College, Nairobi) was one of three constituent colleges of the University of East Africa. (The others were Makerere University College in Uganda and University College of Dar es Salaam in Tanzania.) Funds for the university came from the East African Community and the three countries. The nominal tuition fee was £300 per student. However, the Kenya government paid full bursaries for those students who were Kenya citizens. The Uganda government similarly paid full bursaries for all its citizens studying in Kenya. The Tanzania government followed a policy of loans with the amount based on "family contribution", i.e., the authorities determine how much the family should be expected to pay and loans the student the balance. In all cases, students who accept government bursaries or loans are bonded for three years after graduation unless specifically released.

Enrollment in the then University College, Nairobi, by country of origin at the end of 1969 is shown in Table 19. In addition to the tuition fees of £300 per year, there were standard fees for student accommodation of £125 per year. However, these fees did not come close to meeting the total costs. The average annual cost at Nairobi was £882, at Makerere £652, and at Dar es Salaam £608. This variation is due to differences in the number of professional faculties at the respective institutions. The difference between the total expenditure and the fee income was met by way of capitation payments made by the three East African governments and the East African Community.

With effect from 1 July 1970, the University of East Africa ceased to exist and was replaced by the University of Nairobi, the University of Dar es Salaam, and Makerere University. The University of Nairobi is now financed in the following manner: For 1970/71, the Ministry of Education budgeted £882 for every new student admitted during 1970/71, whether Kenyan or otherwise, to cover recurrent costs. With an anticipated enrollment of 2,505 a budget of £2.5 million was agreed upon by the Ministry of Education. The East African governments will pay the full £882 for each new student. The East African governments will in addition make capitation payments in respect of those continuing students who were enrolled during the academic year 1969/70. These will amount to £425 per student. In 1970/71, there were 413 Kenyans at Makerere and 212 at Dar es Salaam. Taking the Kenya-Uganda relationship as an example,

Nairobi educated 439 Ugandans, at £882 per student, Kenya is entitled to £387,198 from Uganda. Makerere educated 413 Kenyans, at £652 per student, Uganda is entitled to £269,276 from Kenya. Thus, the Uganda government owes the Kenya government £122,922.

Kenyan Students at Foreign Universities

During the 1969/70 academic year, there were 4,431 Kenyans studying at foreign (non-East African) universities. Of this number, 62 were fully maintained by the Kenya government, i.e., their tuition and fees, travel expenses, pocket money, books, and clothing were all paid by the Ministry of Education. An estimated 200 others were partially maintained. The costs for most of the others were paid by foreign governments and universities upon nomination by the Ministry of Education. In such cases, the Kenya government ordinarily pays travel costs to and from the country of study. In all the Kenya government is estimated to have spent £75,400 on financial assistance to Kenyan students at foreign universities during the 1970/71 academic year.

Employment Prospects

Labour market prospects for university graduates are excellent. Since all university students who receive government financial aid are bonded, many are obligated to work for government, which is short of high-level manpower. There is a high demand for Kenyan university graduates in the private sector, where Africanisation is a definite goal for many firms. Salaries for university graduates are much higher than for school leavers, and the rates of return to university education are quite high.

* These figures are not quite correct, since the number of University of Nairobi students by country of origin was not available for 1970/71 at the time of writing.

Table 19. Undergraduate Enrollment, University College, Nairobi, as of 4 December, 1969, by Country of Origin.

Kenya	1,153
Uganda	439
Tanzania	351
Other	113
Total	2,056

Source: University of Nairobi.

Table 20. Financing of University College, Nairobi, 1969/70, General and Students' Accommodation Accounts £ '000.

		£ '000
Kenya Government		
Tuition and residential fees	440	
Contributions through E.A. Community		
Direct capitation payments	204	
Indirect	142	
Contributions to house rents	93	879
Other East African Governments		
Tuition and residential fees*	297	
Contributions through E.A. Community		
Direct capitation payments	143	
Indirect	284	724
Non-East-African Government		
Tuition and residential fees, non-east African Government sources		
Kenya students (estimated)	50	
Other (foreign government & individuals)	48	
Rent and Hire charges	54	
Income from endowment fund and investments	58	
Registration fees	2	
Sundry	2	
		214
Total Revenues		1817
Less: Excess of income over expenditure		20
Expenditure, 1969/70		1797

*These are partially reimbursed.

Source: Calculated from figures supplied by the Ministry of Education and the University of Nairobi.

VII. Revenues and Expenditures of the Government of Kenya

Revenues

1970/71 revenue estimates for the Government of Kenya are shown in Table 21. Duties and excises are the main sources of revenue, with income taxes nearly as great. Graduated Personal Tax (GPT) is the only other single item of any substantial magnitude. The specific revenue sources are discussed below.

GPT

The rate structure of GPT is shown in Table 22. It is seen that the GPT is a graduated lump sum tax, mildly regressive over low income ranges, mildly progressive over high income ranges, and strongly regressive within an income class. There are no personal allowances or deductions; gross income is the tax base. Number of taxpayers in each bracket and tax revenue raised from each group were not available at the time of writing.

Table 21. Government of Kenya, Revenue Summary, 1970/71 Estimates

Import Duty	Kf	23,400,000
Excises		13,500,000
Export Duty		500,000
Total duties and excises		37,400,000
Income Tax		31,250,000
GPT		
Other than municipal areas		2,400,000
Receipts from transfer by Nairobi City Council and Mombasa Municipality of 50% of GPT collections*		1,800,000
Total GPT		4,200,000
All other		17,139,500
Total		89,989,500
+ Extra exchequer receipts	+	3,735,000
Grand Total		Kf 93,724,500

*The decision was made on 1.1.71 to no longer take 50% of the GPT collections from the Nairobi City Council and the Mombasa Municipal Council, so this revenue source no longer exists.

Source: Republic of Kenya, "1970/71 Estimates of Revenue of the Republic of Kenya for the Year Ending 30th June, 1971."

Import Duties

The rate structure of import duties protects local industries, encourages manufacturing by having low or zero rates on inputs, and heavily taxes luxuries. Imports from the other countries of the East African Community (Tanzania and Uganda) are exempted. Import duty collections are given in Table 23. The most important items are fuels, textiles, transport equipment and food, drink and tobacco. Purchases of these items tend to rise faster than income, so the import duties are most likely progressive*.

Excise Taxes

The bulk of excise revenues were collected from beer, sugar and cigarettes. (See Table 24). Since these commodities are mass-consumed, the excise taxes as a whole are most likely regressive.

Income Taxes

The income tax is administered by the East African Community. The rate structure of the personal income tax is highly progressive, with marginal rates from 12.5% to 77.5% of chargeable income. (See Table 25). The personal income tax provided a single allowance of £216, married allowance of £480, and children's allowance of £120 per child up to a maximum of four. The allowances for a married man with four children are 23 times the estimated African per capita income. Thus, most families pay no income tax. In 1967, fewer than 35,000 individuals were subject to income tax. This compares to total wage employment of 1,026,800 and a total population of 10,200,000. The personal income tax consequently contributes very little to national savings or to redistribution of income**.

The marginal company income tax rate is 40%. The system of deductions is less generous than U.K. and U.S. and other developing countries. (Ibid) A policy of attracting foreign investment could be pursued by increasing deductions, but at the cost of lowering government revenues.

*Estimates of the incidence of the various taxes, both direct and indirect in Kenya, are to be presented in a forthcoming IDS paper by M.J. Westlake as part of an in-depth analysis of Kenya's tax system.

** This point is made by V.P. Diejomaoh, "Tax Mobilization and Government Development Financing in Kenya," 1969.

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See V.F. Diejomaoh, 1969, op. cit., and M. Westlake, Kenya's Extraneous and Irrational System of Personal Income Taxation, forthcoming IDS paper, for more detailed discussions of Kenya's tax system and recommendations for improvements.

Table 23 Central Government Import Duty Collections,
1969. K£ '000

	<u>Amounts</u>	<u>% of Total</u>
		%
Fuels	6,765	28
Textiles	4,128	17
Transport equipment	3,627	15
Food, drink, & tobacco	2,403	10
Semi-manufactures	1,553	6
Machinery	1,215	5
Other	4,816	20
Total	24,507	100%

Source: 1970 Economic Survey, p. 155.

Table 24 Central Government Excise Revenue Collections, 1969 K£ '000

	<u>Amount</u>	<u>% of total</u>
Beer	4,334	34%
Sugar	2,819	22
Cigarettes	3,756	29
Other	2,005	16
Total	12,914	100%

Source: 1970 Economic Survey, p. 155.

Table 25. Personal Income Tax Rates and Collections. Year of Income 1967.

<u>Chargable Income</u>	<u>Marginal Rate</u>	<u>Average Rate</u>	<u>Number of Tax- payers in that Bracket</u>	<u>Net Tax Payable by Tax- payers in that Bracket</u>	<u>% of Total</u>
First £1,000	12.5%	£1,000 12.5%	11,131	£287,448	3
Next £1,000	27.5	2,000 20.0	9,711	631,142	7
Next £1,000	37.5	3,000 25.8	7,145	1,275,373	14
Next £1,000	47.5	4,000 31.3	3,570	1,502,916	16
Next £1,000	52.5	5,000 35.5	1,524	1,186,754	13
Next £1,000	57.5	6,000 39.2	689	858,213	9
Next £1,000	62.5	7,000 42.5	374	656,527	7
Next £3,000	67.5	8,000 45.6	369	1,017,342	11
Next £5,000	72.5	9,000 48.1	143	898,511	10
Every £1 over	77.5	10,000 50.0			
£ 15,000		11,000 52.0			
		15,000 57.5			
Total			34,656	£9,314,226*	100%

* This total corrects an error in the published statistics.

Sources: East African Income Tax Department, "Report for the Period
1st July 1968 to 30th June 1969" and V.P. Diejomah "Tax
Mobilization & Government Development Financing in Kenya,"
1969, pp. 26-27.

Table 26. Kenya Government, Functional Breakdown of Recurrent and Development Expenditure on Main Services, 1969/70 Estimates, K£ million

General Services	
Administration and Foreign Affairs	6.76
Law and Order	12.52
Defense	6.59
Revenue Collection and Financial Control	2.94
Total	28.81
Financial Obligations	
Public Debt	9.88
International Monetary Organization Subscriptions	0.72
Pensions and Gratuities	3.87
Compensation Payments	0.06
Passages and Leave Expenses	0.43
Transfers to Local Authorities	5.20
Total	20.16
Economic and Community Services	
Agriculture and Veterinary	12.09
Forestry	1.75
Game and National Parks	1.44
Transport and Roads	13.04
Electricity	2.52
Other (including water supplies)	7.64
Total	38.48
Social Services	
Education	18.15
Health	7.61
Other (Labour Community Development, Housing, etc.)	5.75
Total	31.51
Unallocable	3.75
Total Expenditure	122.71

Source: 1970 Economic Survey, p. 144.

Table 27 Estimated Kenya Government Expenditures on Education by Category, 1970/1971, f'000

Category	Development	Recurrent	Total	%
Primary Education (net)	0	9,649	9,649	47
Secondary Education (net)	700	3,581	4,281	21
Technical Education (net)	130	713	843	4
Teacher Training	690	1,247	1,937	9
Agricultural Education	35	321	356	2
University Education	522	2,528	3,050	15
Other				
Special schools	36	97	133	1
IDA credit projects	172	0	172	1
Teachers' service commission operating expenses	0	85	85	1
Site surveys	10	0	10	0
Total Kenya Government Expenditures on Education	2,295	18,221	20,516	100%

Sources: Summary of figures presented in Parts I through VI.